



## NEXT BRIDGE HYDROCARBONS, INC. RELEASES STATEMENT

**MIDLAND, TEXAS – February 8, 2024 – Next Bridge Hydrocarbons, Inc.** (“Next Bridge,” “our,” “we,” or the “company”), an oil and natural gas exploration and production company with interests in Texas and Oklahoma today provided the following statement:

Our company has reviewed recent written responses from FINRA and SEC regarding the U3 halt of the Series A Preferred Shares of Meta Materials, Inc. that traded under the symbol “MMTLP” and potential outstanding short positions in Next Bridge. We have further been made aware of calls by Congressman Ralph Norman for a Congressional hearing regarding MMTLP, which we and our Chairman would gladly participate in to help supplement the factual record on relevant events. Next Bridge management has differing perspectives on certain key points expressed by FINRA in its letter. We will share these perspectives if given the opportunity in a meeting we are actively working to schedule with representatives of FINRA and the SEC’s Office of the General Counsel. However, we hope the meeting can largely be devoted to discussing forward-looking and productive options for jointly addressing ongoing investor concerns.

Next Bridge firmly believes that we and our investors have a right to know, and Congress and the SEC have an interest and duty to understand, the total aggregate outstanding uncovered short positions held by foreign and domestic institutions that exceed the issued and outstanding shares of our company. Unfortunately, this important figure remains unknown. We call on FINRA and the SEC to take a more proactive ownership role in completing the necessary accounting for several key reasons:

First, FINRA and the SEC have access to resources, investigatory powers, and foreign information sharing tools, and we rely on them to serve as champions of the full and complete trading facts for the investing public and US companies whose securities are publicly traded under their oversight.

Second, we believe this information is necessary to help clarify potentially misleading information that has been disseminated to investors and the public. FINRA issued an “Investor Insights” FAQ on its website stating that “there was an aggregate short interest position in MMTLP in accounts held at broker-dealers as of December 12 of approximately 2.65 million shares out of 165.47 million total shares outstanding.” FINRA went on to characterize this volume as “not significant.” We infer no intent to mislead by FINRA, but we note that this statement was not qualified to make clear that the scope of the data available to FINRA under the investigatory powers it cited was limited, and thus it implied a categorical summation of the entire uncovered short interest position in Next Bridge. Subsequent to our most recent press release of January 19, 2024 calling for short interest data from all sources, foreign or domestic, whether registered with FINRA or not, we observed that FINRA clarified in its letter to Congressman Norman that the short interest figure it cited was only based on U.S. member data and not that of “domestic or foreign non-member entities that could act as custodians or agents holding securities for others, including foreign-registered broker-dealers.” However, it repeated its assertion

that the short interest position it saw was “nominal.” Unfortunately, we believe this is a consequential blind spot in FINRA’s data, because foreign firms have approached Next Bridge about procuring more than 2.65 million shares.

If FINRA is unable to report on the entire universe of the outstanding uncovered short positions in Next Bridge, including short interest positions held via foreign brokers, we request that they maintain full transparency of this fact in communications with interested parties and refrain from descriptions of the short interest as inconsequential until this is borne out via a comprehensive investigation. We also believe further clarification regarding the limits of the data available to FINRA would be helpful for investors.

Our company is also concerned that uncovered short selling activity might have been carried out by entities that are also exempt from SEC registration or via transactions that are otherwise exempt from reporting. We understand that the SEC does not disclose any details regarding its investigatory activities, but our concern is that the SEC’s letter refers Congress to FINRA and our company for the share data Congress seeks, which as explained, will likely not result in the full picture. We are happy to provide information that may be beneficial in helping the SEC scope the necessary sources for data collection in any investigation it may elect to undertake in the future, including any that may require the cooperation of foreign counterparts.

Third, we believe there is an onus on FINRA to help resolve ongoing investor concerns due to the role it played in the events that led to the U3 halt, and the subsequent confusion resulting from the halt itself. FINRA stated that it determined the U3 halt was “necessary and appropriate to protect investors and ensure a fair and orderly marketplace.” Unfortunately, many investors continue to communicate great frustration that the halt accomplished quite the opposite and could have been avoided. We do not intend to litigate FINRA’s decision-making in this release, but we also would like to ensure that we clarify certain points on which we have a divergent view from FINRA in regards to the corporate action announcing the NBH spinoff and subsequent U3 halt, since the issues are actively being discussed in public releases to our investors and publicized letters to Congress. As an initial matter, we take issue with FINRA’s repeated assertion that “FINRA’s role is limited to reviewing and processing the (corporate action) submission and announcing the corporate action to market participants (unless the corporate action documentation is found to be deficient under Rule 6490, in which case FINRA may determine not to process the corporate action).” We do not believe this describes the role that FINRA played in the MMTLP corporate action submission process, nor does it offer a complete recitation of FINRA’s authority under Rule 6490. First, FINRA drafted the initial and revised corporate action notices on December 6th and 8th of 2022, with an instruction that the issuer was not to edit or interpret it, and included language that we believe itself became the source of market confusion. For example, while FINRA describes the notice to Congressman Norman as “consistent with the information provided by Meta Materials,” it is notable that the notice actually introduced a new instruction that MMTLP shares would be “deleted” on December 13th – a date never before contemplated or referenced by the issuers, and which many found difficult to reconcile with Meta’s announcement that the distribution of Next Bridge shares would take place the next day- on December 14th. Indeed, it was never proposed to FINRA to add a December 13 cancellation date or deletion date, and adding such a date created an unnecessary restriction to the corporate action and shareholders of MMTLP. In addition, FINRA’s Rule 6490 allows it to refrain from processing requested corporate actions altogether if it “determines not processing is necessary to protect investors and the public interest and to maintain fair and orderly markets.” In other words, the justification FINRA ultimately used for issuing the U3 halt was available to it at the outset of the process,

when any concerns could have been addressed by the issuer. Instead, they evidently did not discern a compelling reason to reject the processing of the announcement, crafted a different announcement, and allowed trading to continue through December 8th, 2022, then initiated the U3 halt shortly thereafter when the markets were closed and all participants, short and long, were frozen. Since nothing regarding the corporate action and the issuers' contemplated record or distribution dates changed between when the corporate action was submitted to FINRA for review, and when the U3 halt was issued (aside from the introduction of FINRA's own announcements), we remain confused as to why FINRA did not simply reject the corporate action announcement at the outset rather than issuing a halt for "extraordinary circumstances" to the great surprise of the issuer and retail investors. The end result was mass confusion that persists to this day amongst our investor base, many of whom feel they were unnecessarily and unfairly denied two days of trading, and which would have also given parties with millions of short positions an opportunity to cover or close.

#### **About Next Bridge Hydrocarbons, Inc.**

The Company is an independent public reporting energy company engaged in the acquisition, exploration, exploitation and/or development of oil and natural gas properties in the United States. Our primary focus has been the development of interests in an oil and gas project consisting of 134,000 contiguous gross acres we hold in the Orogande Basin in West Texas in Hudspeth County, Texas. In addition, we have minor interests in the Eastern edge of the Midland Basin in Texas, and two minor well interests in Oklahoma. Please visit [www.nextbridgehydrocarbons.com](http://www.nextbridgehydrocarbons.com) for more information.

Next Bridge is a private company insofar as its shares of common stock are not traded on a public stock exchange of any kind. The Company is expected to update its shareholders about certain operational and financial updates related to the Company's business. To receive timely emails with respect to these corporate developments, please visit <https://www.nextbridgehydrocarbons.com/investors> and complete the Email Alert/Investor Form. You may also choose to follow our social media channels at @nbhydrocarbons on Twitter and "Next Bridge Hydrocarbons" on LinkedIn.

This statement may contain "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties which could cause actual results to differ materially from those described herein. Although the Company believes the expectations in such statements to be reasonable, there can be no assurance that such expectations will prove to be correct. Information concerning the assumptions, uncertainties and risks that may affect the actual results can be found in the Company's filings with the Securities and Exchange Commission ("SEC") available on the Company's website or the SEC's website at [www.sec.gov](http://www.sec.gov).

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